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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>CHANEL, INC., a New York corporation,</b>	:	<b>ECF CASE</b>
	:	
<b>Plaintiff,</b>	:	<b>07 CV 6057 (NRB)</b>
	:	
<b>-against-</b>	:	<b>DECLARATION OF</b>
	:	<b><u>BRIGITTE C. SIERAU</u></b>
<b>BRIGITTE C. VAUGHN, et al.,</b>	:	
	:	
<b>Defendants.</b>	:	
	:	
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I, **Brigitte C. Sierau**, declare as follows:

1.. I am one of the Defendants in the above-captioned action and President and sole shareholder of Defendant Bibi, Inc. ("Bibi"). I am fully aware of the facts stated herein, and make this declaration in opposition to the papers filed by the Plaintiff relating to damages issues, and in response to the Court's order set forth in the "Stipulated Consent Partial Final Judgment as to Liability and Permanent Injunction" dated March 19, 2008 (the "Stipulation").

2.. The financial condition of Bibi is as follows: Bibi is still operating; it has a bank account with about \$1,000 in the account; it has inventory at cost of about \$2,000 (none of which is Chanel-type goods); it has no accounts receivable. There have been no transfers of any assets out of Bibi since it began operations in 2005. Bibi has never earned any profits, and has never paid any income taxes.

3.. My own personal financial condition is: I own no house or real estate; I own no car or other vehicle. I own no stock, bonds or other securities. I have no trust interests and have no retirement funds. I have personal jewelry having a value of less than \$1,000 (none of which is

inventory); I personally have no inventory; I have credit card debt and a loan of about \$33,000 total. I have about \$3,000 in my savings account (which I use to pay rent of \$2,300 per month) and about \$200 in my checking account. I'm leasing my car and pay \$430/month. My monthly income is about \$1,200 and I have been receiving financial assistance from my family and a friend in order to meet my monthly obligations.

4.. I am single and have no children.

5.. I do not make enough to pay any income taxes, which has been true for about the past 5 years.

6. I cannot afford this lawsuit and owe my attorney about \$1,097 (for his services for the past 2 months, up to April 18, 2008). Prior to that time, I paid my attorney \$1,759.19. My total legal fees for this lawsuit (including the unpaid amount) are about \$2,856 up to April 18, 2008.

7. Before this lawsuit was commenced, I stopped offering and selling Chanel-type items, so that no injunctive relief is necessary. I have quit offering and selling all infringing items relating to Chanel.

8. When I received a notice from Chanel to stop offering and selling Chanel-type products, I directed my website programmer to take all Chanel items off of my website, which he did. However, there were certain hidden words in the website which he failed to take off, unknown to me, and contrary to my instruction, which could have allowed internet searches to find my website for Chanel items even though I was no longer offering or selling such items. These words (which may be called "metatags") or something like that, have since been deleted.

9. My total sales of Chanel-type items from inception to the date I stopped selling these items was about \$500 to \$600.

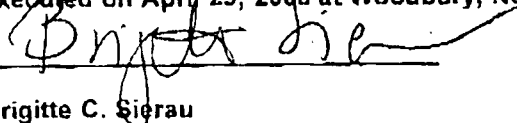
10. My cost of goods was about \$250 to \$300.

11. My advertising, travel, and other expenses (prior to this lawsuit) were about \$100 relating to Chanel.

12. I made almost no profit on these sales and when taking my time into account at \$10 per hour I was losing money on these sales.

13. I stipulated to liability to reduce the costs of litigation for both sides, and I have tried to settle this action without success.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge.

Executed on April 29, 2008 at Woodbury, New York.  
By:   
Brigitte C. Sierau

#### CERTIFICATE OF SERVICE


It is hereby certified that a true and correct copy of the foregoing

#### DECLARATION OF BRIGITTE C. SIERAU

was served on the attorney for the Plaintiff by causing the same to be delivered by first class mail, postage pre-paid to:

**John Macaluso, Esq.  
Gibney, Anthony & Flaherty, LLP  
665 Fifth Avenue  
New York NY 10022**

**Dated: April 29, 2008**

  
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Carl E. Person